Annual Report

2009

Yukon Workers' Compensation
Health and Safety Board

Yukon Workers' Compensation Health and Safety Board

Commission de la santé et de la sécurité au travail du Yukon

Members of the Board

The Yukon Workers' Compensation Health and Safety Board (YWCHSB) is governed by a Board of Directors made up of two representatives of workers, two representatives of employers, a neutral chair and a neutral alternate chair. The President/CEO of YWCHSB sits as a non-voting member.

Craig Tuton, *Chair*
May 31, 2009 – May 30, 2012
Reappointed April 1, 2009 – May 30, 2009 pursuant to section 98(12) of the *Workers' Compensation Act*.
(Earlier appointments: April 1, 2006 – March 31, 2009;
March 31, 2003 – March 30, 2006;
July 20, 1995 – July 20, 1998)

Vicki Hancock, *Alternate Chair*
Appointed August 24, 2009 – August 23, 2012
(Earlier appointment: August 15, 2006 – August 14, 2009)

Gary Annau, *Representative of Employers*
Appointed November 29, 2008 – November 28, 2011
(Earlier appointments:
November 29, 2005 – November 28, 2008;
November 29, 2004 – November 28, 2005)

Tamara Goeppel, *Representative of Employers*
Appointed February 8, 2008 – February 7, 2011

Barbara Evans, *Representative of Workers*
Appointed November 19, 2008 – November 19, 2011
Reappointed September 19, 2008 – November 18, 2008 pursuant to section 98(12) of the *Workers' Compensation Act*.
(Earlier appointments:
September 19, 2005 – September 18, 2008;
September 19, 2002 – September 18, 2005;
March 1, 2000 – August 30, 2002)

Don Austin, *Representative of Workers*
Appointed October 28, 2009 – October 27, 2012

Valerie Royle, *President/CEO*

Message from the Board

The Board of Directors is confident that the actions it carried out in 2009, with assistance from its stakeholder partners, continue to lead YWCHSB in a positive direction for improving workplace safety, assisting injured workers, and ensuring the long term economic viability of the compensation system.

In the sunset of its 2006-2010 Strategic Plan the Board has met its goals and objectives of improved Return-To-Work outcomes for injured workers, lower claims costs, and the ability to lower assessment rates for most employers starting in 2010. This was the first time in a number of years that the Board was able to decrease rates for a majority of employers. This was accomplished despite lower investment returns in 2008.

The Board's ultimate goal is to see Yukon with the lowest average assessment rates possible, given our level of benefits, the services we provide and the size of our system. However, the Board is well aware it can not accomplish this goal alone. It requires continuous consultations with stakeholders and increased participation of workplaces in improving safety and return to work outcomes.

There is still a long way to go. Yukon currently has the highest average assessment rate in the country. Rates are established based on claims costs and the related expenses of administering those claims. The key to lowering rates is preventing workplace disabilities by reducing the number of injuries and claims as well as improving return to work outcomes for injured workers.

Recognizing that employers pay for the compensation system, the Board is practicing due diligence to ensure that administrative expenses are necessary, reasonable and kept on budget. Other than cost of living increases, the administration budget increased in only two areas. A second person was added to the YWCHSB Investigations Unit (see results below) and actuarial expenses were incurred as, at the request of employers, the Board developed a new model for industry classifications and rate setting. This new model provides clear and fair guidelines to formalize the rate setting process and for reclassifying industries into groups based on their claims performance. These changes take effect in 2010.

Following its prudent approach to investments, the Board is pleased to report a positive return on investments of almost 14% in 2009. This means YWCHSB remains fully funded, providing full compensation benefits now and in the future to all injured workers currently on the system and providing employers of today with assessment rates that reflect the current and estimated future costs of claims that occur this year; not paying assessments for claims of past employers.

YWCHSB's Investigations Unit has also contributed to an improving financial picture by saving the system just over $4 million in 2009. These savings were realized from terminating claims cases where claimants were no longer entitled to benefits and one case where an employer was not registered with YWCHSB, nor paying their assessment premiums.

Work continues on improving internal efficiencies. In 2008, it took an average of about 24 days before a claim decision was reached. In 2009, decisions on claims were reached in about 14 days.

Progress is also being made in shortening the duration of time-loss claims, getting injured workers back to work early and safely. The percentage of time-loss claims in which the last payment was made within 90 days from the start of the claim is now over 88%. Shorter claim durations mean better recovery for injured workers and less cost to the system, which eventually translates into lower assessment rates for Yukon employers.

Also contributing to a better financial picture was an upgrade of the Assessments tracking system. It helps to ensure employers are meeting deadlines for registering their business, filing annual returns and submitting assessment premiums. Those employers who had not been meeting these deadlines added costs to the system. In turn, these costs had to be shared among all employers. The new tracking system will eliminate this extra financial burden for those employers who are meeting their obligations.

Unfortunately, 2009 was one of the deadliest years in recent memory for worker fatalities. Four workplace fatalities were investigated by our Occupational Health and Safety Division. Three fatalities resulted in accepted claims. The fourth death was a sole proprietor who did not have optional coverage under the *Workers' Compensation Act* at the time of his death. That's an average of one fatality for every 4,200 workers. The impact of these preventable deaths on family, friends and our community will be remembered April 28th during the Annual Day of Mourning ceremony in Whitehorse. This day of remembrance was founded by the Canadian Labour Congress in 1984 to raise awareness of the tragic consequences of workplace injuries and deaths. The Board encourages all Yukoners to join them in attending this remembrance ceremony to publicly renew our commitment to keep each other safe.

The Board looks forward to continuing its work with stakeholder partners, employers, workers and the health care community in moving forward on our goal of creating safe and healthy workplaces in Yukon and improving return to work outcomes for injured workers.

† Footnote: Details of the Board of Director's priorities and objectives can be found in its Strategic Plan, on the YWCHSB website at www.wcb.yk.ca under Board of Directors. The Board's performance measures are on the same website under Forms & Reports – Accountability.

Content changes to the 2009 Annual Report

YWCHSB will no longer be providing a multitude of statistical charts and graphs in its Annual Reports. Instead, it will produce a separate Statistical Supplement in the fall. The statistics will follow the common Key Statistical Measures used by all jurisdictions reporting to the Association of Workers' Compensation Boards of Canada (AWCBC).

YWCHSB found that producing statistics in its Annual Report and then producing another set of statistics for AWCBC to be an unnecessary duplication of effort and not in keeping with its continued focus on internal efficiencies.

One of the more notable changes is the elimination of "Reported Incidents" in the 2009 Annual Report.

Starting in 2009, there was a change in reporting workplace incidents, which make comparisons with past year's data on Reported Incidents inaccurate. When a worker is injured, but does not require medical attention off the worksite and doesn't lose any time from work other than the day of the injury, a Report of Injury/Illness does not have to be filed with YWCHSB. These types of injuries do not incur any costs to the compensation system and are therefore, not a "claim".

However, both the employer and worker must fill out and retain a copy of an Incident Report at their workplace. This information allows the employer to assess and correct the hazard or situation that caused the injury. The Incident Report will also be referenced by YWCHSB should the injury develop into a potentially compensable situation at a later date.

The Reported Incident category in our 2009 Annual Report is being replaced with information about workers' lost-time injury rate. This information is based on workers who have filed Reports of Injury/Illness that required medical attention away from the worksite and were paid time-loss earnings benefits while away from their jobs. It is an accurate reflection of injured workers who required time-loss compensation benefits.

Employers are also reminded that it is mandatory to immediately report any serious incidents to Occupational Health and Safety even if they did not result in injuries. These include any incidents that likely would have caused serious injury but for safety precautions, rescue measures or chance.

Effective Policies

A number of complex policy issues were dealt with in 2009. YWCHSB sincerely appreciates the time and effort of members of the Policy Working Group, the Stakeholder Advisory Committee and others in creating or updating the following policies:

EN-01 ARISING OUT OF AND IN THE COURSE OF EMPLOYMENT

This policy was amended to add clarity on when contagious diseases contracted by a worker are compensable. This amendment was done in advance of the H1N1 alerts in Yukon.

A claim for a contagious disease may be compensable for a worker when the nature of their employment poses a significantly greater than ordinary risk of contracting the disease.

An example of this would be a health care provider engaged in the treatment of a patient with a contagious disease. The nature of the job involves a direct risk of contracting a disease. However, a claim would not be accepted from a worker when there was an outbreak of the disease affecting the community at large. This is seen as a public health issue, similar to the cold and flu season.

AP-01 OVERVIEW OF APPEALS

This new policy provides information on the YWCHSB appeal system, which outlines what and how workers, dependents of deceased workers and employers can appeal YWCHSB decisions when they relate to a worker's claim, an Occupational Health and Safety matter or an Employer Assessment matter.

Prior to starting an appeal, the YWCHSB staff member and/or their supervisor who made the decision can be contacted directly to inquire about the reasons for the decision. This inquiry may resolve any misunderstandings or communication problems that may exist or it may resolve the issue without the need for a formal review or appeal.

EA-01 PAYMENT OF ASSESSMENTS

Amendments to this policy reflect the revised (July 1, 2008) *Workers' Compensation Act*, which strengthens the YWCHSB's ability to levy penalties for late or non-reporting of payroll information and late payments of assessment premiums. Employers who were not complying with these deadlines added costs to the system. These costs had to be shared by all employers and created an unfair burden on employers who were in compliance.

Several sections have been amended or added to allow YWCHSB to charge interest or penalties where there are late, missing or insufficient payments.

The policy also outlines flexible plans for employers to pay assessment premiums and encourages large employers to file actual payroll amounts on a monthly basis.

FA-04 COMPENSATION FUND INVESTMENT POLICY

The purpose of this policy is to formalize the investment principles and guidelines that are appropriate to the needs and objectives of the Compensation Fund. The policy establishes risk and return parameters, governance structure and monitoring procedures.

This policy provides the guidelines to ensure the Compensation Fund is fully funded – meaning there are sufficient funds for the payment of all present and future compensation for existing claims including the cost of administration.

This policy was amended in 2009 to bring its terminology in line with the 2008 changes to the *Workers' Compensation Act*.

BD-01 HONORARIA FOR THE YUKON WORKERS' COMPENSATION HEALTH AND SAFETY BOARD AND MEMBERS OF THE WORKERS' COMPENSATION APPEAL TRIBUNAL

Minor amendments to this policy reflect the wishes of the Board of Directors for its members and the YWCHSB's Appeal Tribunal to set an example of financial integrity.

Honoraria, if claimed, will be paid under the Government of Yukon General Administration Manual – Policy 1.8, Corporate Policies General, Boards and Committees, Schedule A, Category D.

This policy provides clear guidelines to interpret the General Administration Manual as it relates to the proper functioning of the Board of Directors or the Appeal Tribunal and to ensure consistency.

BD-02 TRAVEL

Minor changes to this policy provide for authorization, if claimed, of travel expenses by members of the Board of Directors of YWCHSB and members of the Workers' Compensation Appeal Tribunal for purposes such as business meetings, training sessions and conferences.

In recognizing its fiduciary responsibilities, the Board amended this policy to include the words "if claimed."

FA-05 FUNDING POLICY

This policy was amended to bring it in line with calculations for the YWCHSB funded position as prescribed by the Association of Workers' Compensation Boards of Canada (AWCBC) as follows:

Total Assets / Total Liabilities x 100 = Funded Position

An Exceptional Circumstances clause was also added to deal with situations where YWCHSB is faced with unanticipated impacts to the Fund from broad changes in the financial markets. YWCHSB shall exercise appropriate fiduciary responsibility to return the Compensation Fund to a fully funded position.

Complete details on all our policies can be found on the YWCHSB website: www.wcb.yk.ca

Investigation Unit results

The role of the Investigation Unit is to hold accountable all people involved in the compensation process.

Employers' assessment premiums pay for the compensation system and YWCHSB must show due diligence to make sure those funds are used in an honest and ethical manner. The goal is to ensure workers who are entitled to compensation have funds available to pay their claims now and into the future. This process also aids in keeping assessment rates at reasonable levels.

The list of people held accountable by investigators includes YWCHSB Board members and staff, employers, workers, health care professionals and service providers.

In 2009 a second investigator was added to the Investigation Unit.

A number of investigations were concluded in 2009 – most involved claims for compensation and one involved a Yukon employer that was found not registered with YWCHSB and in arrears on assessment premiums.

Because of confidentiality policies, an appeals period and potential future legal action, specific details can not be provided.

The successful investigations resulted in a savings in 2009 of just over $4 million to the compensation system. This figure combined with the results of investigations from 2007 and 2008 brings total savings to YWCHSB of $6.5 million.

There are currently more than 20 files that are awaiting further investigation.

Each of these files could take between two weeks to a year to fully investigate.

CHOICES

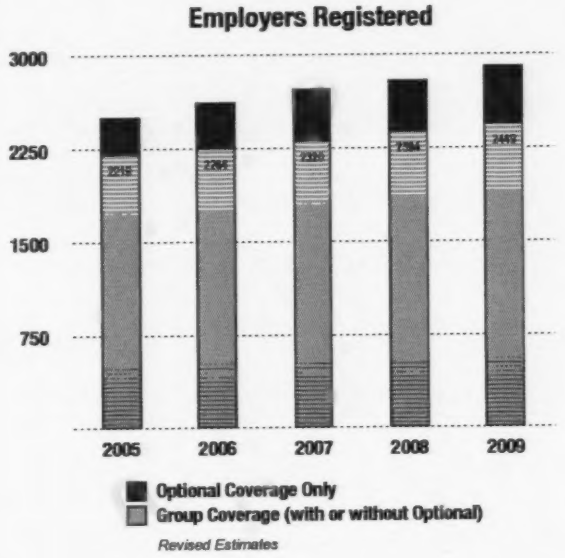
Employers continue to increase their participation in YWCHSB's incentive program, CHOICES. It provides financial rewards to employers for improving safety and Return-To-Work practices and programs in their workplaces.

In 2009, its second year, CHOICES saw an overall 8% increase in employer participation. 16% of all employers involved in the program for the second year moved up a level. Of particular note, there was a 20% increase in employers at the OH&S Programs level and above between 2008 and 2009. Most of that increase was from employers moving up to the Audited Excellence level through the Certificate of Recognition (COR) program. More than half of the 50+ employers that are COR (or equivalent) Small Employer Certificate of Recognition (SECOR), or have a temporary letter of certification are CHOICES members.

Program Level	Occupational Health & Safety	
	2008	2009
Basics	276	285
Foundations	17	23
Programs	41	42
Audited Excellence	24	39
Total	**358**	**389**

Program Level	Return-To-Work	
	2008	2009
Basics	320	339
Foundations	28	37
Programs	10	11
Audited Excellence	0	2
Total	**358**	**389**

In 2009, the CHOICES program provided rewards for 385 employers. The rewards totalled $165,272.



Employer Assessments

Assessment revenues in 2009 totalled just over $25 million as compared to $23.9 million as reported in the 2008 Annual Report. Although the assessment rates remained the same in 2009 as 2008, assessment revenue rose by just over one million dollars. This was caused by increased economic activity in 2009, which resulted in increased payrolls in several industries. This resulted in businesses paying more in assessment premiums based on their payrolls.

New model for rate setting and industry classifications

With the assistance of the actuarial firm Morneau Sobeco and at the request of employers, a review was completed and a new model developed in 2009 on restructuring of the classification and rate setting system, effective in 2010. The goal was to find an approach that is appropriate for the special situations present in the Yukon business environment and one that is fair to all employers.

The review process identified industries whose injury experience was significantly different from the average injury experience of its group. This was a process that began in 2008 and involved input from employers and stakeholders through meetings with each industry group. The final result is the formation of 16 new industry classifications and reassignment of some existing industries to rate groups that accurately reflect their injury experience.

Determining administration costs

As part of this process, employers made it clear that they wanted to see a re-distribution of administration expenses based on which employers use YWCHSB services the most.

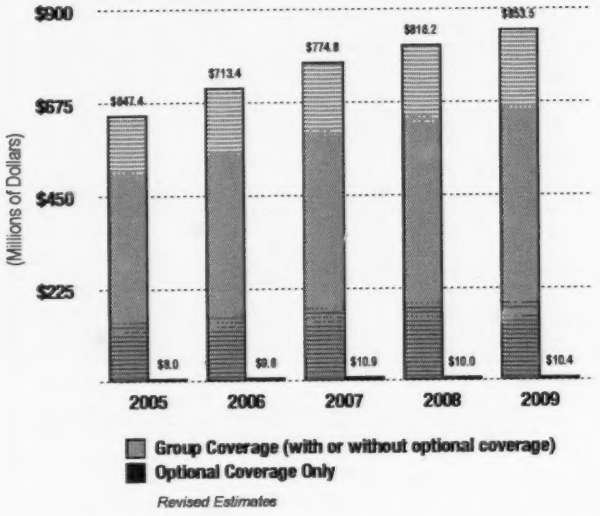
All employers under the *Workers' Compensation Act* use Employer Assessment Services and common safety services and are responsible for a share of YWCHSB basic operational costs.

Each employer is charged the same flat fee from the rate they each pay to cover these costs.

The remaining rate amount is determined based on variables such as claims costs and the additional services required to administer those claims.

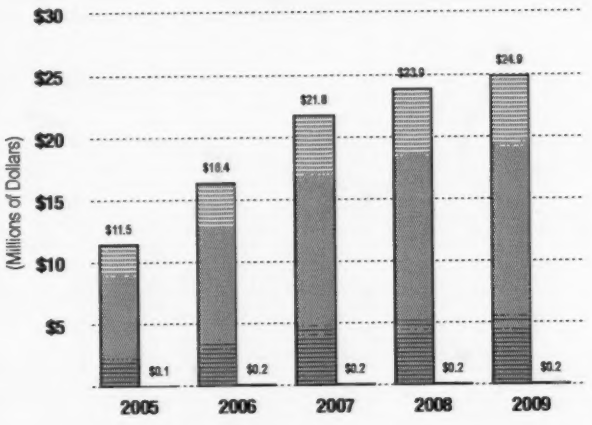
In other words, industries that have higher claims costs use more YWCHSB resources and as a result, pay a higher portion of administration costs as part of their assessment rates.

Estimated Assessable Payroll



Revised Estimates

Assessment Revenue



Revised Estimates

Rate increases/decreases

It's important to point out that rates in 2009 remained the same as 2008 while YWCHSB carried out its review of the industry classification system and rate setting process.

Any rate adjustments that normally would have happened in 2009 were carried forward and factored into the 2010 rates.

Industries receiving rate changes in 2010 will see those changes transitioned over two years. This transition allows YWCHSB to adjust rates in the second year of the transition should claims experience warrant further increases or decreases.

Large claims and fatalities

How the cost of large claims and fatalities are allocated to the 69 industries for rate setting purposes has changed.

Under the new model a financial cap (maximum charge) will be set for large claims and fatalities.

In the past, large costs in these areas would be assigned to the industry in which the claim occurred. This would result in a potentially unstable rate for the rate group to which that industry was assigned.

Based on the new model, when compensation costs are greater than the financial cap, the additional costs will be distributed over ten years to all industries across the system.

This helps prevent a single high cost fatality or claim in one industry de-stabilizing that group's rates and follows the principle of collective liability.

In the case of a fatality there is a set amount of claims costs (five times the maximum wage rate) allocated to the industry in which the fatality occurred, regardless of the actual cost of the fatality.

For non-fatalities the annual limit that will be allocated to a particular industry for a claim is the maximum wage rate. Non-fatal claims are also capped at a lifetime limit equal to five times the maximum wage rate.

Letters of Clearance

YWCHSB issued about 15,000 Letters of Clearance in 2009. These letters confirm with an employer that contractors doing work for their company are registered with YWCHSB and that they have paid their assessment premiums.

These Letters of Clearance protect employers from the liability of paying assessment premiums for contractors who have not met their assessment obligations with YWCHSB.

If contractors have not paid their assessment premiums, the contracting employer would have the extra expense of paying assessment premiums on the labour portion of that contract.

Audits

In 2009, there were 237 payroll audits conducted. These audits are to confirm that employers are accurately reporting their payroll and are correctly classified based on their industrial undertaking. It is also an opportunity for the auditor to provide education about the compensation system for new employers as well as new bookkeeping staff who may have been hired by employers.

Internal tracking system

Amendments to the *Workers' Compensation Act* in 2008 required up-grading of the Employer Assessments computer system. This was completed in 2009. The up-grades include the ability to accurately track employers' reporting and payment requirements for assessment premiums.

This tracking system helps the YWCHSB to ensure that employers are meeting required timelines for registering their business, filing annual returns and submitting their assessment premiums.

Those who do not meet their requirements add costs to the compensation system, which must be shared by other employers who do meet requirements.

To help reduce those costs and create a level playing field for employers, increased penalties and interest charges will be levied against employers who are not in compliance.

WORKERS' COMPENSATION APPEAL TRIBUNAL

Number of Appeals Heard, Resolved and Pending in 2009

In 2009, 13 appeals were advanced to the Tribunal for hearing. In total 9 appeals were heard in 2009. A total of eight decisions were rendered in 2009. Two decisions from appeals heard in 2009 were pending at the beginning of 2010.

Outcome of Appeals Resolved in 2009

Appeals allowed	2 out of 8
Appeals denied	6 out of 8
Decisions pending	2
Appeals withdrawn/cancelled	0

2009 Appeal Statistics for January 1 to December 31, 2009

Hearing Officer 2010

Reviews by Hearing Officer	**44**
Decisions confirmed	28
Decisions reversed	6
Decisions varied	6
No Jurisdiction	2
Interim decision	1
Pending	1

Appeal Panel

Occupational Health and Safety Appeals	**0**
Administrative Penalty Appeals	0
Confirmed	0
Revoked	0
Decreased	0
Assessment Appeals	**0**
Decision confirmed	0
Decision reversed	0
Decision varied	0

Release of Information Statistics for 2009

	Worker Advocate	Worker	Employer	Appeal Tribunal	Other	Total
January - March	52	17	5	3	7	84
April - June	51	11	2	1	2	67
July - September	20	4	6	3	0	33
October - December	50	13	10	15	15	103
Total	**173**	**45**	**23**	**22**	**24**	**287**

2003-2009 Totals	Worker Advocate	Worker	Employer	Appeal Tribunal	Other	Total
2009	173	71	23	22	24	313
2008	238	71	10	18	21	358
2007	194	69	20	66	2	351
2006	265	53	8	40	4	370
2005	408	67	6	71	10	562
2004	468	73	20	42	6	609
2003	336	80	14	44	9	483
Total	**2082**	**484**	**101**	**303**	**76**	**3046**

Return-To-Work

During 2009, YWCHSB worked effectively with employers and injured workers to improve the timeliness of decisions on claims, paying time-loss earnings and assisting injured workers to return to work as early and safely as possible, as part of the injured worker's healing process.

In 2008, it took an average of more than 24 days before a decision was reached about a claim. In 2009, decisions on claims were reached in an average of about 14 days.

The duration of claims is also a key factor in keeping claims costs down.

The percentage of time-loss claims for which the last payment was made within 90 days from the claim starting has also improved since 2008. At the end of 2008 the percentage of time-loss claims for which the last payment was made with 90 days from the claim starting was 86.59%. This compares with over 88.09% at the end of 2009.

More injured workers safely returning to their jobs earlier is good for both workers and their employers, and it also enables YWCHSB to manage claims costs more effectively.

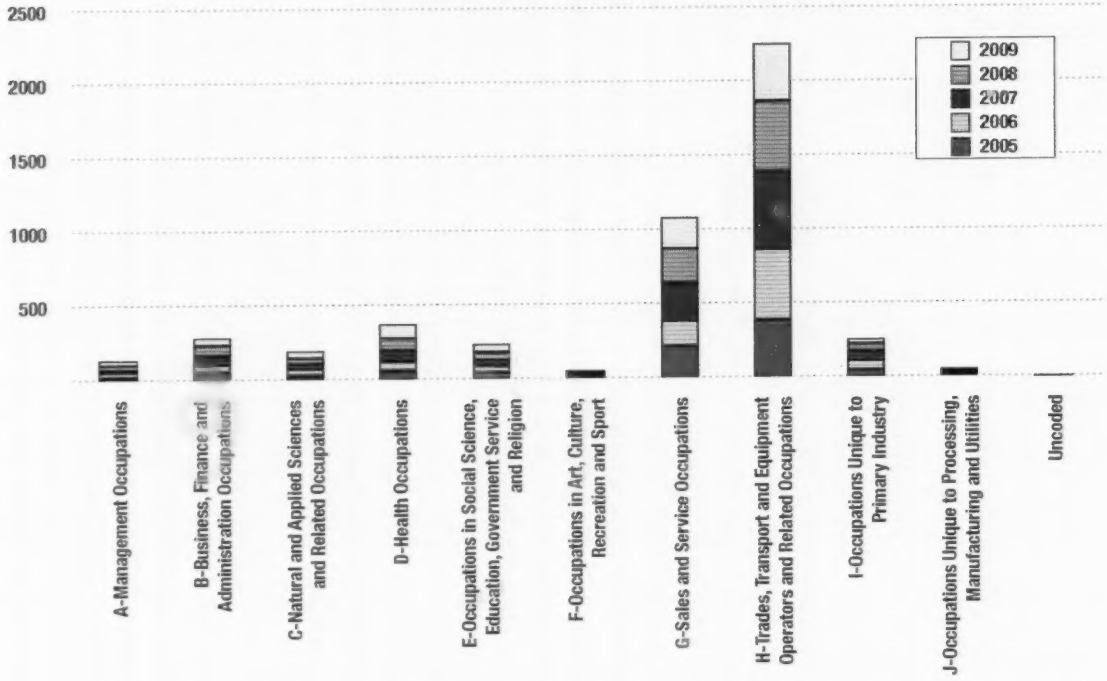
In 2009, YWCHSB issued a Request for Proposals to organizations to deliver a Return-To-Work training program for workers and employers. The Yukon Federation of Labour was the successful applicant. Their training program began in early 2010.

To further support initiatives in this area, the YWCHSB Return-To-Work Consultant continues to meet with employers to discuss issues and assist them in finding solutions.

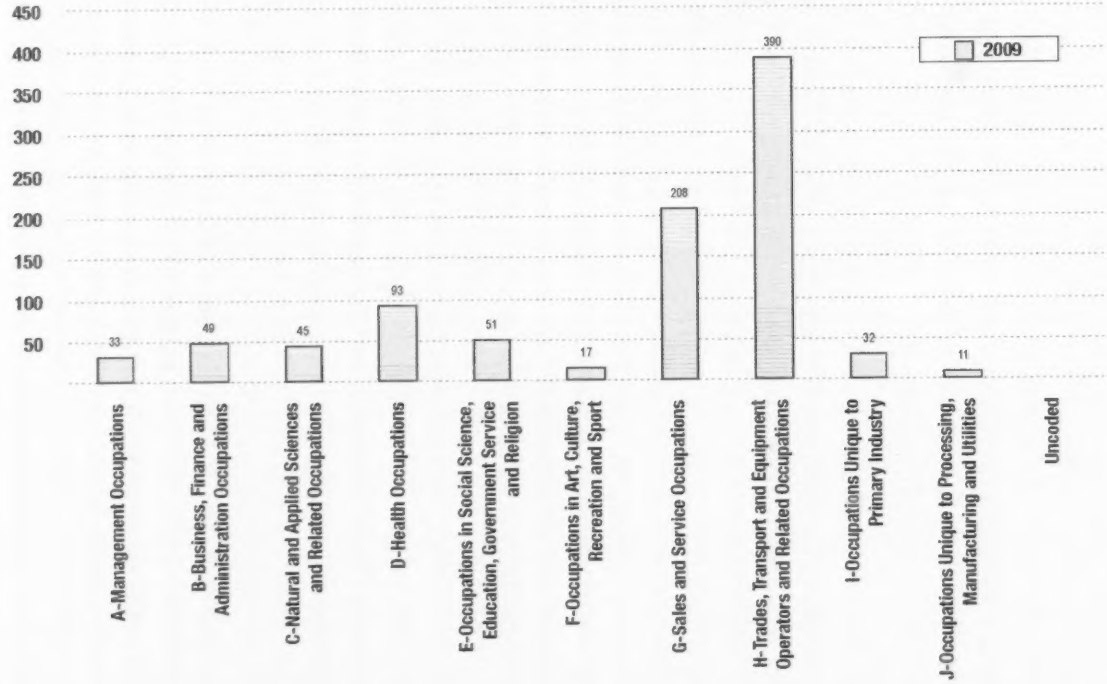
The Return-To-Work Consultant also liaised with the Yukon Government to assist it with specific cases and worked with the Champagne Aishihik First Nation on RTW issues.

Courtesy calls were also made to employers to educate and create awareness about sections of the *Workers' Compensation Act* that relate to Return-To-Work obligations for both employers and workers.

Accepted Claims by Occupation Category



Accepted Claims by Occupation Category - 2009



Young & New Worker Initiatives

Under the direction of the Yukon Legislative Assembly, YWCHSB and the Employment Standards Board carried out consultations with a large number of stakeholders on the proposed Young Worker Protection Act.

These consultations were carried out early in 2009 and a report was submitted to the spring sitting of the Legislative Assembly.

During the consultations, employers made it clear they wanted specific guidelines on how to safely orient and train young and new workers.

In response to that need, YWCHSB completed a Code of Practice for young and new workers, which went into effect January 1, 2010. It provides employers with practical guidance and clarity of expectations about their requirements under the *Yukon Occupational Health and Safety Regulations*, section 1.06 – Training for Workers.

The Code of Practice focuses on adequate training and orientation for workers under the age of 19 as well as new workers. It also includes a sample worker orientation checklist, which provides practical examples of steps employers can take to meet their obligations.

As a further follow up to the consultation process, OH&S has also started preparing regulations that will stipulate minimum ages for workers in specific industries and will address situations where employees are "working alone".

The YWCHSB Young Worker Coordinator continued to teach the safety training program, Work Shouldn't Hurt in Yukon high schools. The program outlines the workers' compensation system, talks about why young workers are at higher risk of injury and how they're injured, identifies common workplace hazards, how to work safely with chemicals and other controlled products, and details young workers' workplace responsibilities and rights. The program is taught to grade 10 students in four Whitehorse schools.

Separate presentations were done for grade nine students through the Preventing Alcohol and Risk Related Trauma in Youth (P.A.R.T.Y.) program to students from Haines Junction and Porter Creek Secondary School.

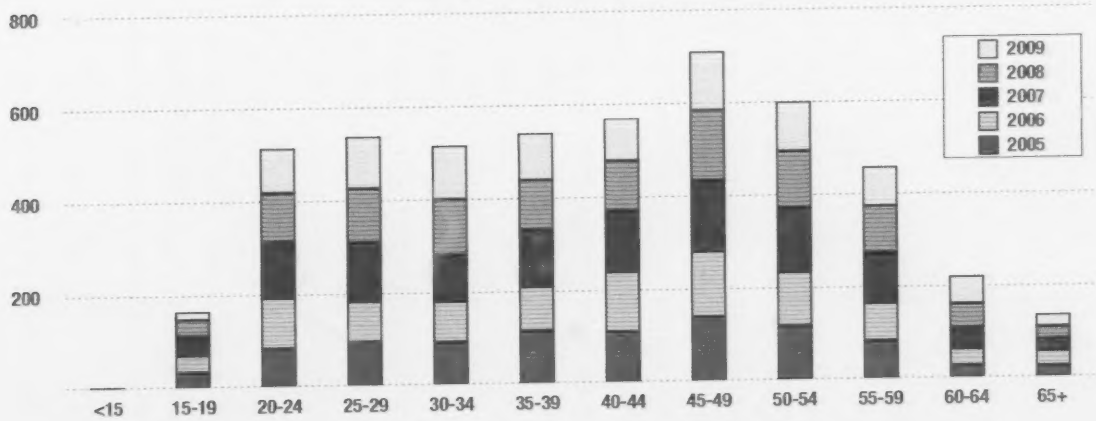
The Work Shouldn't Hurt program was also taught to approximately 40 students at Yukon College through its SKILLS program and a special back to work program. These programs deal with young workers 18 years and older.

A French language version of the Work Shouldn't Hurt program was also developed in 2009 and will be presented to students at École Émilie-Tremblay School early in 2010.

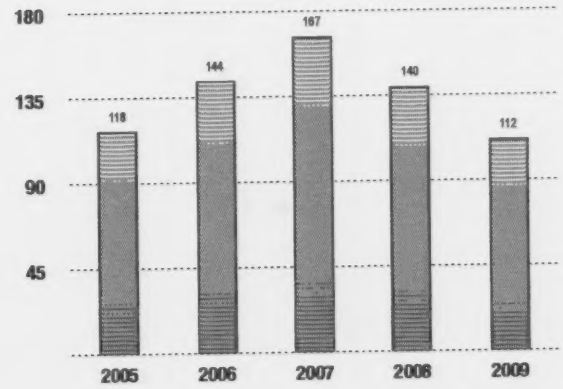
The Young Worker Coordinator is also working with a variety of youth outreach organizations including Bringing Youth Towards Equality (BYTE) and the Youth Achievement Centre to provide information and safety training for young workers. The same process is also underway with the two independent Whitehorse schools.

The Yukon Department of Education has approved a grade eight, two-hour young worker safety course, called Hazard Assessment. The course meets the required curriculum outcomes for this grade. Presentations of this course are expected to begin early in 2010 in Haines Junction, Pelly Crossing and Ross River.

Accepted Claims by Age Group



Accepted Claims by Young Workers (<25 years old)



2009 Cost Examples of Common Injuries

The examples listed below are drawn from the three main causes of injuries to workers and provide a glimpse of the typical costs to the compensation system.

Getting injured workers back on the job early and safely with an effective Return-To-Work plan can significantly reduce these types of costs and residual disability.

Paying more attention to safe work practices will contribute to significantly preventing these types of injuries from occurring.

Contact with objects/equipment

A back hoe operator was scaling a rock face when a rock fell through a missing side window of the machine and struck the worker on the forehead.

This injury could have been prevented if the window had been covered by a clear shatter resistant shield or by a protective screen, as required under OH&S regulations.

Claim Duration	6 months in 2009 – ongoing in 2010
Medical costs	$ 28,876
Time-loss payments	$ 28,579
TOTAL COST (to date)	**$ 57,455**

Bodily reaction/exertion

A health care worker was adjusting a patient's bed when a faulty piece of equipment suddenly failed. The worker fell, straining their back.

A regular maintenance program could have revealed the faulty piece of equipment and led to it being repaired thus eliminating the hazard to the worker.

Claim Duration	2 months in 2009 – ongoing in 2010
Medical costs	$ 1,550
Time-loss payments	$ 10,545
TOTAL COST (to date)	**$ 12,095**

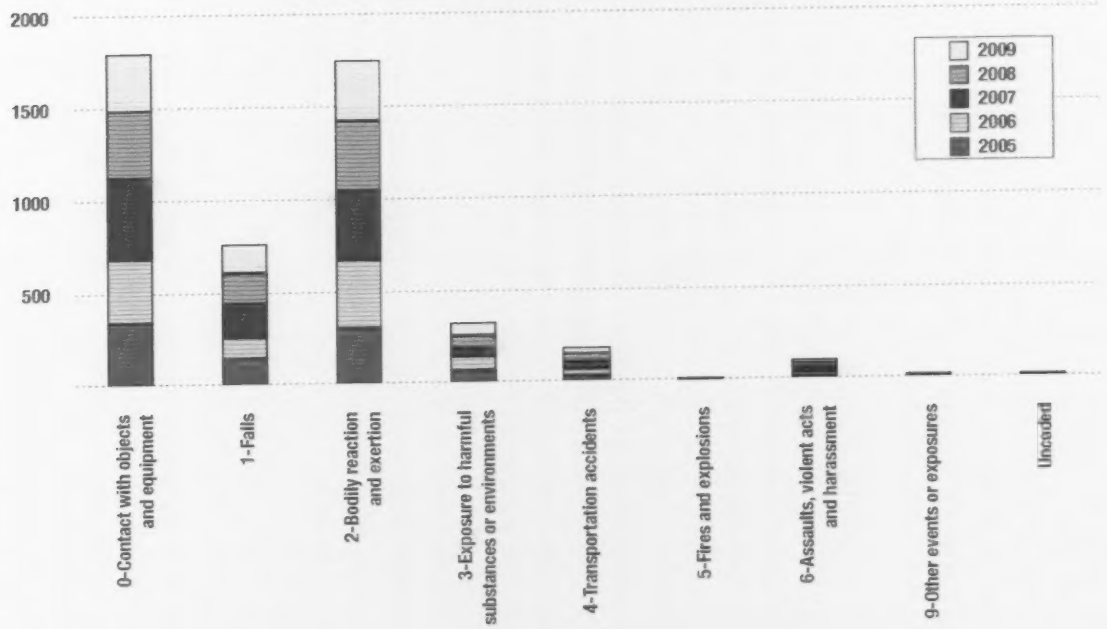
Slips, trips & falls

The worker was building a deck for a home that was 2.5 metres (8 feet) above ground level when the worker fell and landed on a concrete slab causing severe elbow and angle injuries.

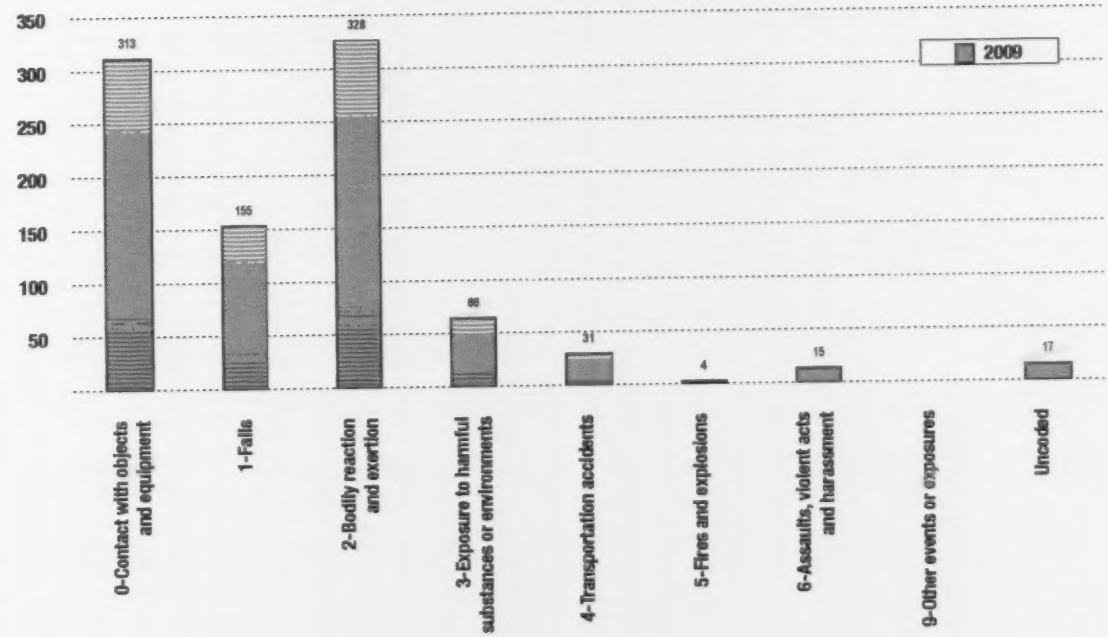
This injury could have been prevented if the worker was wearing fall arrest gear or if guards had been placed along the edge of the deck.

Claim Duration	4 months in 2009 – ongoing in 2010
Medical costs	$ 17,864
Time-loss payments	$ 15,752
TOTAL COST (to date)	**$ 33,616**

Accepted Claims by Event or Exposure



Accepted Claims by Event or Exposure - 2009



Injury Rates & Fatalities

Progress was made in 2009 in lowering the number of workers being injured on the job. Working in co-operation with its safety partners and employers, YWCHSB has seen the lost-time injury rate drop modestly in the last three years, relative to the number of people working. These are workers who have been injured and required time off work beyond the day of their injury. There were a total of 472 lost-time claims in 2009.

This puts the lost-time rate per 100 workers covered in 2009 at 2.3. This compares with 2.8 in 2008 and 3.0 in 2007. However, the interim goal is a lost-time rate of 1.0.

There is still much work to do in preventing injuries and the resulting worker disabilities or deaths.

An Occupational Health & Safety (OH&S) initiative was launched in 2009 with the announcement of fines for workers, supervisor and employers not wearing proper personal protective equipment (PPE). Safety Officers inspecting workplaces noted a dramatic improvement in compliance with this basic safety measure.

YWCHSB has also started the practice of publicizing preliminary findings on some investigations of workplace injuries. Three of these findings on falls from heights were released through the YWCHSB website. In all three cases the injured workers were not wearing fall prevention gear, which was available at the worksite, nor were there safety guards on the edges of the roofs on which they were working. All three falls were readily preventable. OH&S will be targeting inspections on worksites that involve working at heights to ensure proper safety measures are being taken.

2009 was one of the worst years on record for workplace fatalities.

The saddest news contained in this Annual Report is the fact that four Yukon workers died on the job in 2009 – one of the worst years on record for workplace fatalities.

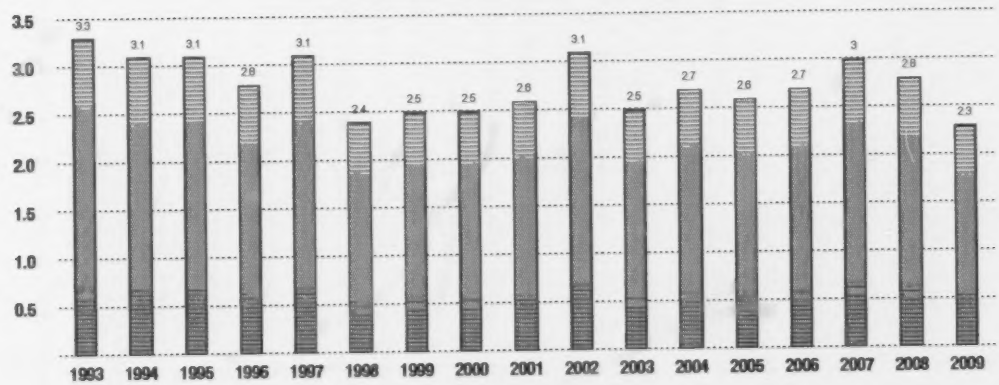
- A 65 year old placer miner died in September when the loader he was operating rolled over and crushed him. The miner was a sole proprietor and did not have optional coverage under the *Workers' Compensation Act* at the time of his death;
- In October, a young mine worker parked the truck he was driving on an incline at the underground workings of the mine site and walked down the incline. The vehicle rolled down the incline striking the worker from behind. The resulting injuries were fatal;
- A female office worker died when the vehicle she was driving in Whitehorse, as part of her job duties, was involved in a fatal collision with another vehicle; and
- A long haul trucker lost control of his rig. The vehicle slid off the highway and crashed.

In 2008 there was one workplace fatality, 2 in 2007 and 3 in 2006.

YWCHSB extends its sincerest condolences to the families of these workers.

All of these workplace fatalities were preventable and underline the need for all Yukoners to stand together as individuals, and as a community, to commit to making a difference, to keeping each other safe.

Timeloss Rate per 100 Covered Workers



Timeloss per the Annual Report Definition

2007-2009 estimates based on projections of average employment income, estimates revised March 26, 2010

Management Discussion and Analysis

This segment of the report deals with the Compensation Fund's financial performance for the year ended December 31, 2009. The audited financial statements that follow are integral to this analysis, and should be read in conjunction with it.

The operating surplus in 2009 was $20.3 million versus a deficit of $18.3 million in 2008. There were two major contributing factors to the surplus – the strong investment returns and a substantial decrease in claims costs. Investment revenue increased significantly in 2009 as markets rebounded from the severe global economic downturn that occurred in 2008. Overall the investments - which are based on market value at the end of the year - posted a positive return of 13.9% compared to the benchmark return of 11.6%. Investment income net of investment management fees was $15.9 million which included capital gains of $12.1 million. The overall rate of return for the past 5 years has been 3.9% which is equal to the benchmark return.

This increase in investment revenue has helped the Fund recover from two consecutive years of investment losses (2008 - ($14.8 million); 2007 - ($3.0 million)) and has contributed to a much stronger balance sheet.

Total current and future claims costs decreased substantially in 2009 and totalled $10 million versus $17.5 million for 2008 – a decrease of 43%. Lost time claims costs continue to be at levels much lower than previous years as improved management practices, combined with changes in legislation continue to impact this area positively through a focus on return to work and recovery. The large decrease in claims costs has resulted in the Benefits liability decreasing to $111.9 million as at December 31, 2009 which is a decline of $2.8 million (2%) from the previous year.

Direct Operating costs have increased marginally in 2009. The main increases (other than cost of living allowances which are driven by collective bargaining agreements and staffing policies) have been in two areas – the investigation unit – where an additional person was added and in actuarial services which increased due to the development of a new rate model for assessments.

The YWCHSB continues to invest in prevention through partnership agreements with its stakeholders. In 2009 prevention related initiatives totalled $915,000 versus $955,000 in 2008.

With the strong investment returns earned in 2009 the Compensation Fund has emerged from the worst market downturn in a generation with a strong balance sheet and remains fully funded. The 2009 funding ratio (ratio of total assets to total liabilities) is 123% with reserves totalling $25.8 million at the end of 2009. Over the past few years market volatility has had a significant impact on investment income causing substantial swings on funding levels, reinforcing the need for a healthy balance sheet.

In 2009 the YWCHSB has continued its preparation for the conversion to International Financial Reporting Standards from Canadian generally accepted accounting principles effective January 1, 2011. The Fund's IFRS conversion project is progressing well. The Fund continues to dedicate resources to this project and provides a monthly report to the Board of Directors. A detailed analysis of the differences between IFRS and the Fund's accounting policies as well as an assessment of the impact of various alternatives is underway. Training is being provided to key employees and the impact of the transition on our business practices, information technology, and internal controls over financial reporting is being closely monitored.

None of the changes planned for the transition to IFRS are expected to have significant results on the financial position of the Compensation Fund. However, the International Accounting Standards Board is currently working on IFRS 4 – Insurance Contracts. This standard is not finalized at this point in time but there is a possibility that this may have a significant impact on the Compensation Fund's financial statements.

In 2009 the YWCHSB adopted a number of new Handbook sections issued by the Canadian Institute of Chartered Accountants (CICA).

GOODWILL AND INTANGIBLE ASSETS
The adoption of this standard resulted in the reclassification of software from property and equipment to intangible assets.

CREDIT RISK AND FAIR VALUE
Effective January 1, 2009, the Fund adopted the CICA Emerging Issues Committee (EIC) Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. The new guidance did not have a significant impact on the financial statements, cash flows, or funded position of the Fund.

FINANCIAL INSTRUMENTS – DISCLOSURES
In March 2009, the AcSB amended CICA Handbook Section 3862, Financial Instruments – Disclosures, to enhance the disclosure requirements regarding fair value measurements. The standard also requires disclosure of a three-level hierarchy for fair value measurements. The amendments are effective for the Fund's 2009 annual Financial Statements and its adoption did not have an impact on the financial position, cash flows, or earnings of the Fund as Section 3862 relates to disclosures.

In summary, the YWCHSB's challenge in the upcoming years will be to manage the business through very turbulent global economic times. This will require a disciplined approach to managing its investments through volatile markets as economies emerge from a severe economic downturn and government stimulus money gradually subsides. The continued strong financial position of the Compensation Fund will benefit all stakeholders greatly in these uncertain times and assure that the organization can provide the payment of benefits both now and in the future.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Workers' Compensation Health and Safety Board (the board) is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced on a timely basis; Compensation Fund assets are safeguarded and controlled; transactions of the Compensation Fund are in accordance with relevant legislation, regulations and board policies; and that the board's resources are managed efficiently and economically and the operations of the board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Compensation Fund. The financial statements as at December 31, 2009, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with Canadian generally accepted accounting principles. Other financial information included in the Annual Report is consistent with these financial statements.

Members of the Board of Directors (the Board) are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Investment, and Audit Committee. The Finance, Investment, and Audit Committee meets with management and the external auditors on a regular basis. The Committee has reviewed the financial statements and has submitted its report to the Board, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Morneau Sobeco, an independent consulting actuarial firm, has completed an actuarial valuation of the benefits liability included in the financial statements of the Compensation Fund and reported thereon in accordance with accepted actuarial practice.

Valerie Royle, BComm (Hons), MBA
President and Chief Executive Officer

Jim Stephens, CMA, CGA
Vice President, Operations and
Chief Financial Officer

March 5, 2010

Actuarial Statement of Opinion

I have completed the actuarial valuation of the benefits liability of the Yukon Workers' Compensation Health and Safety Board (the "board") as at December 31, 2009 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In my opinion:

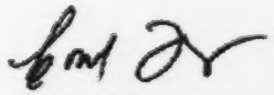
1. The estimate of the actuarial liability as at the valuation date is $111,991,000. This includes provisions for benefits expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes future administrative expenses for all benefits except Annuity benefits payable at age 65. It does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.

2. The liability as at the valuation date for Annuity contributions and interest already set aside by the board up to the valuation date for purposes of providing pension benefits at age 65 to injured workers was obtained from the board's finance division staff and is included in item 1 above.

3. The valuation is based on the provisions of the *Workers' Compensation Act* of the Yukon Territory and on the board's policies and practices in effect on the valuation date.

4. The data on which the valuation is based were supplied by the board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the benefits liability.

5. The actuarial assumptions adopted in computing the benefits liability are adequate and appropriate, and the methods used are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the board. The discount rates used are disclosed in note 12 to the financial statements.



Conrad Ferguson, F.C.I.A.

This report has been peer reviewed by Thane MacKay, F.C.I.A.

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister responsible for the Compensation Fund

I have audited the balance sheet of the Compensation Fund as at December 31, 2009 and the statements of operations and comprehensive income, changes in funded position and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Workers' Compensation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith. In addition, the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* and regulations.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Vancouver, Canada
March 5, 2010

Compensation Fund

Balance Sheet

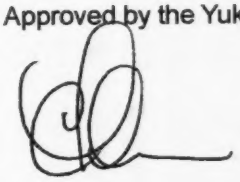
As at December 31

	2009 ($000s)	2008 ($000s)
ASSETS		
Accounts receivable (note 6)	$ 2,791	$ 2,354
Investments (note 7)	134,823	119,877
Property and equipment (note 8)	2,885	2,952
Intangible assets (note 9)	4,334	4,036
	$ 144,833	$ 129,219
LIABILITIES		
Bank overdraft (note 10)	$ 994	$ 4,141
Accounts payable and accrued liabilities (note 11)	4,153	3,188
Benefits liability (note 12)	111,991	114,709
Accrued employee benefits (note 13a)	1,092	857
	118,230	122,895
FUNDED POSITION (note 14)		
Prevention Fund	800	3,123
Reserves	25,803	3,201
	26,603	6,324
	$ 144,833	$ 129,219

Commitments and Contingencies (notes 16 and 20)

The accompanying notes are an integral part of these financial statements.

Approved by the Yukon Workers' Compensation Health and Safety Board



Craig Tuton
Chair

Compensation Fund

Statement of Operations and Comprehensive Income

For the year ended December 31

	2009 ($000s)	2008 ($000s)
Revenue		
Assessments	$ 25,018	$ 23,878
Investments - net (note 17)	15,904	(14,806)
Recoveries and other receipts	668	830
	41,590	9,902
Expenses		
Claims expenses (note 12)	10,086	17,501
Administration (note 18)		
General and Administration	8,337	7,539
Occupational Health and Safety	1,408	1,300
Workers' Advocate	312	405
Act Review	112	313
Appeal Tribunal	141	154
Prevention (note 19)	915	955
	21,311	28,167
Other comprehensive income (loss)	-	-
Operating surplus (deficit) and comprehensive income (loss)	$ 20,279	$ (18,265)

The accompanying notes are an integral part of these financial statements.

Compensation Fund

Statement of Changes in Funded Position

For the year ended December 31

	2009 ($000s)	2008 ($000s)
FUNDED POSITION		
Balance, beginning of year	$ 6,324	$ 24,589
Operating surplus (deficit) and comprehensive income (loss)	20,279	(18,265)
Balance, end of year	26,603	6,324
Allocation of Funded Position:		
PREVENTION FUND		
Balance, beginning of year	3,123	3,798
Transfer to Stabilization Reserve	(429)	(675)
Transfer to Adverse Events Reserve	(1,894)	-
Balance, end of year	800	3,123
ADVERSE EVENTS RESERVE		
Balance, beginning of year	16,380	16,380
Transfer from Prevention Fund	1,894	-
Balance, end of year	18,274	16,380
STABILIZATION RESERVE		
Balance, beginning of year	(13,179)	4,411
Operating surplus (deficit) and comprehensive income (loss)	20,279	(18,265)
Transfer from Prevention Fund	429	675
Balance, end of year	7,529	(13,179)
Total Reserves Balance	$ 25,803	$ 3,201

The accompanying notes are an integral part of these financial statements

Compensation Fund

Statement of Cash Flows

For the year ended December 31

	2009 ($000s)	2008 ($000s)
Operating activities		
Cash received from:		
Employers, for assessments	$ 25,241	$ 24,144
Investment revenue - net	4,376	4,874
Recoveries and other receipts	711	788
	30,328	29,806
Cash paid to:		
Claimants or third parties on their behalf	(12,804)	(15,280)
Employees, for salaries and benefits	(6,804)	(6,870)
Suppliers, for administrative and other goods and services	(3,294)	(3,378)
	(22,902)	(25,528)
Total cash provided by operating activities	7,426	4,278
Investing activities		
Proceeds on sales and maturities of investments	54,381	51,167
Purchases of investments	(57,757)	(55,763)
Purchases of property and equipment	(145)	(195)
Purchases of intangible assets	(758)	(715)
Total cash used in investing activities	(4,279)	(5,506)
Net increase (decrease) in cash	3,147	(1,228)
Bank overdraft, beginning of year	(4,141)	(2,913)
Bank overdraft, end of year	$ (994)	$ (4,141)

The accompanying notes are an integral part of these financial statements.

Compensation Fund
Notes to the Financial Statements
December 31, 2009

1. Nature of Operations

The Compensation Fund (the Fund) was established by the *Workers' Compensation Act* (the Act) and is administered by the Yukon Workers' Compensation Health and Safety Board (the board) pursuant to the Act. In 2008, the Act was amended and received Assent in the Legislative Assembly. The effective date of the new Act was July 1, 2008. The Fund, as administered by the board, provides compensation for injury or death by accident arising out of and in the course of employment. Annual assessments are levied upon employers by applying their industry assessment rate to their actual or estimated payrolls for the year. The assessment and investment revenue pays for all claims, administration and prevention expenses. In 1992, the board was made responsible for the administration of the *Occupational Health and Safety Act* and regulations to advance strategies for preventing workplace injuries in the territory.

2. Adoption of New Accounting Standards

(a) Goodwill and intangible assets
Effective January 1, 2009, the Fund adopted CICA Handbook Section 3064 *"Goodwill and Intangible Assets"*. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets (note 9). The adoption of this standard resulted in the reclassification of software from property and equipment to intangible assets. The impact of this reclassification consisted of an increase in the net carrying amount of intangible assets and a corresponding decrease in property and equipment of $4,334,000 as at December 31, 2009 (2008 – $4,036,000).

(b) Credit risk and the fair value of financial assets and financial liabilities
The Emerging Issues Committee (EIC) of the CICA issued EIC Abstract 173 *"Credit Risk and the Fair Value of Financial Assets and Financial Liabilities"* which requires the consideration of the Fund's own credit risk and the credit risk of counterparties when determining the fair value of financial assets and financial liabilities. The adoption of this section was effective for the Fund's financial statements for the year ended December 31, 2009 and did not have a significant impact on the financial statements.

(c) Fair value hierarchy
In 2009, the Fund adopted the amendments to CICA Handbook Section 3862 *"Financial Instruments* – Disclosures". The amendments to this section established a three-tier hierarchy as a framework for disclosing fair value information based on the inputs used to fair value financial assets and financial liabilities. The Fund uses the following hierarchy for determining and disclosing the fair value of its financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an instrument's assigned level. There were no such transfers between levels in 2009.

3. Future Accounting Changes

International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board confirmed that the transition to IFRS from Canadian GAAP will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010. The Fund will be adopting IFRS effective January 1, 2011. The Fund's management is currently evaluating the impact to the financial statements of the adoption of these standards.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from those estimates. The more significant management estimates relate to the determination of the benefits liability, accrued employee benefits, useful life of property and equipment and intangible assets, and accounts receivable and assessments revenue.

The following is a summary of the significant accounting policies:

(a) Benefits liability

The benefits liability is determined annually and represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefits liability includes a provision for future payments on claims that have not been finalized to date. It also includes a provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims as well as future claims management costs. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period (note 20).

The benefits liability is comprised of three liabilities - medical aid and compensation, pension, and annuity:

- Medical aid and compensation includes benefits for medical aid, compensation for loss of earnings and personal property, lump sum payments for permanent impairment, rehabilitation assistance, emergency transportation, traditional aboriginal healing, and death and funeral expenses.

- The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.

- The annuity liability is for workers who have received compensation for the same disability for at least 24 months. An amount equal to ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity at sixty-five years of age.

(b) Financial instruments

Recognition and measurement

The board has made the following classifications of the Fund's financial instruments:

Investments
Pursuant to CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, the board has elected to designate all investments as held for trading. Consequently, investments are recorded at fair value. The fair value of publicly traded investments is the quoted market prices. Pooled fund units are valued at their year-end net asset value, as determined by the fund manager. Purchases and sales of investments are recognized on the trade date. Short-term investments held by the investment managers for investment purposes are included in Investments.

Realized gains and losses, arising on the sale of investments, are recognized in investment income in the period earned net of previously recognized unrealized gains and losses. Unrealized gains and losses, arising from fluctuations in fair value, are recognized in investment income in the period in which they arise. Investment income arising from dividends and interest is recognized in the period earned. Investment income is presented net of investment management fees and transaction costs.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income from investments is translated at the rate in effect at the time it is earned. Exchange gains and losses resulting from the translation of foreign currency balances and transactions are recognized in investment income in the period in which they arise.

The board does not enter into any financial derivative instruments as part of managing its investment portfolio.

Other financial assets and liabilities
Accounts receivable and assessments receivable are classified as loans and receivables. Bank overdraft, accounts payable and accrued liabilities, and assessments refundable are classified as other financial liabilities. All are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of accounts receivable, assessments receivable, bank overdraft, accounts payable and accrued liabilities, and assessments refundable, their carrying values approximate their fair values.

(c) Assessments

Assessment revenue is calculated monthly on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the board. Separate rates of assessment are established for each industry classification. At year end, assessments receivable and payable are adjusted based on the difference between estimated and actual payrolls. An allowance for doubtful accounts is provided for assessments receivable based on management's best estimate.

The board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993 when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees (note 15). These amounts are recorded in Recoveries and other receipts in the year in which the related expenses are incurred.

(d) Recoveries from third parties

Under section 51 of the *Workers' Compensation Act*, the board is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim are deducted. Any funds remaining will be paid to the claimant. This is over and above any future benefits entitlement. The remaining amount is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party recoveries is recorded in the year the settlement occurs. No provision is made in the benefits liability for possible future third party recoveries because of their contingent nature.

(e) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Buildings	40 years
Furniture and equipment	5 years
Computer equipment	5 years

Management evaluates the carrying values of property and equipment for indicators of potential impairment whenever changes in circumstances occur. On evaluation of the factors of potential impairment, if an impairment has been determined by management, the asset is written down to its fair value.

(f) Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Salaries, wages and benefits directly related to internally developed software systems are included in the asset's cost. When the asset is substantially complete and ready for use, development costs capitalization will cease and the costs will be transferred to the related asset category and amortized. Amortization is calculated based on the straight-line method, using rates based on the estimated useful lives of the assets as follows:

Systems and software	5 to 12 years

Management evaluates the carrying values of intangible assets for indicators of potential impairment whenever changes in circumstances occur. On evaluation of the factors of potential impairment, if an impairment has been determined by management, the asset is written down to its fair value.

(g) Employee future benefits

Pension benefits
All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Fund's contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employees' required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Fund and are expensed during the year in which the services are rendered. The Fund is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Other benefits
Under conditions of employment, employees may qualify and earn employment benefits for vacation, sick leave, long service leave, and severance benefits. The benefit obligation is determined on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2009 actuarial valuation as calculated by the board's actuary. The obligation for vacation leave, sick leave, severance and other benefits are calculated using the projected benefit method prorated on service.

(h) Government funding

In 2005, the Government of Yukon approved the reinstatement of ongoing funding for the Mine Safety Program through an annual grant to the board. The Program, which was transferred to the board in 1993, provides mine rescue training and support services as well as mine safety inspection services. The funding is to be reviewed by the Government, at a minimum, every five years. The revenue is accounted for in Recoveries and other receipts in the period in which the related expenses are incurred (note 15).

5. Risk Management

The Fund has exposure to the following financial risks: credit risk, liquidity risk, and market risk (which also includes inflation risk, interest rate risk and currency risk). The Fund's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and financial liabilities.

The Fund's management is responsible for monitoring performance, recommending changes to the Investment Policy, and selecting fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy. The portfolio managers' compliance with this Investment Policy is monitored on a regular basis. Quarterly, the board retains independent consultants to benchmark the performance of its fund managers and to advise on the appropriateness and effectiveness of its Investment Policy and practices.

The following sections present information about the Fund's exposure to each of the above risks and the board's objectives, policies and processes for measuring and managing each risk:

Credit risk
Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. To manage this risk, the board has determined that short-term investments must have a credit rating of at least R1L, and long-term investments require a rating of BBB or higher by the Dominion Bond Rating Service or the equivalent rating by Moody's, in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 15% of the portfolio. The board has stayed within these guidelines during the year.

Fixed Income Portfolio Credit Ratings

Ratings:	AAA	AA	A	BBB	2009 ($000's)	2008 ($000's)
Fixed Income Securities	$ 29,844	$ 12,653	$ 20,443	$ 2,628	$ 65,568	$ 60,445
Totals	$ 29,844	$ 12,653	$ 20,443	$ 2,628	$ 65,568	$ 60,445

The Fund's exposure to credit risk associated with its accounts receivable and assessments receivable is the risk that an employer or a cost recovery customer (customer) will be unable to pay amounts due to the Fund. Allowances for doubtful accounts are provided for potential losses that have been incurred at the balance sheet date. The amounts disclosed on the balance sheet are net of these allowances for bad debts. Accounts receivable and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer may default. The board takes into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The board recognizes a specific bad debt provision when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration expenses.

The board believes that the credit risk of accounts receivable and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration. The non-government based employers may be affected by any downturns due to prevailing economic conditions.
ii. As at December 31, 2009, approximately 98% (2008 – 97%) of accounts receivable and assessments receivable are outstanding for less than 90 days. The board does not require collateral or other security from employers or customers for accounts receivable or assessments receivable.
iii. The board has the power and remedies to enforce payment owing to the Fund.

All of the Fund's accounts receivable and assessments receivable are reviewed for indicators of impairment. A provision for doubtful accounts receivable and assessments receivable of $55,000 (2008 – $89,000) is included in accounts receivable on the balance sheet.

Credit risk arising from securities - lending activities

To generate additional income, the board's fund manager may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 100% of the loan. Included in the fund manager's pooled fund investments at year end, the board's share of outstanding securities on loan amounted to nil (2008 – nil). The amount of collateral held for the securities at year end was nil (2008 – nil). For the year, securities-lending transactions within the board's fund manager's pooled investment funds generated incremental income of nil (2008 – $15,000).

Liquidity risk

Liquidity risk is the risk that the Fund is not able to meet its financial obligations as they become due or can do so only at excessive cost. The board's operations are financed through a combination of the cash flows from operations and investments. One of management's primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The board has access to the Government of Yukon overall line of credit facility with the Government's banker. This access provides the board with overdraft coverage when needed. The Fund's accounts payable and accrued liabilities had a carrying value of $4,153,000 as at December 31, 2009 (2008 – $3,188,000) and are all due within 60 days.

Market risk

The Fund is exposed to market risk, which is the risk that the fair value or future cash flows of its investments will fluctuate in the future because of economic conditions. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 15% or less of the fair value of the investment fund.

The table below presents the Fund's investment targets and actual asset mix at fair value as at December 31, 2009:

	Target		Actual	
	Minimum	Maximum	2009	2008
Equities				
Canadian	0%	25%	15.90%	15.00%
United States	0%	25%	17.10%	14.00%
International	0%	25%	17.40%	17.60%
Fixed Income				
Short-term Investments	0%	10%	0.60%	2.60%
Bonds	35%	85%	49.00%	50.80%
			100.00%	100.00%

The table below presents the effect of a material adverse change in the fair value of each of the categories of equities in the Fund's investments portfolio:

	2009 ($000's)		2008 ($000's)	
Percentage decrease in fair value	10%	20%	10%	20%
Equities				
Canadian	$ (2,141)	$ (4,282)	$ (1,775)	$ (3,550)
United States	(2,305)	(4,610)	(1,691)	(3,382)
International	(2,348)	(4,696)	(2,112)	(4,224)
Total decrease in fair value of equity investments	$ (6,794)	$ (13,588)	$ (5,578)	$(11,156)

Inflation risk
Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power of current monetary assets. The board manages inflation risk through its investment allocation between equities and fixed income investments.

Interest rate risk
Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. The Fund's investment portfolio is exposed to interest rate risk through its holdings of short and long-term fixed income investments. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The table below presents the effects of a 50 and 100 bps[1] adverse change in the nominal interest rate on the fair value of the bond portfolio:

	2009 ($000's)		2008 ($000's)	
Positive bp change in nominal interest rate	+50bp	+100bp	+50bp	+100bp
Bonds	$ (1,819)	$ (3,638)	$ (1,810)	$ (3,620)
Total decrease in fair value of fixed income investments	$ (1,819)	$ (3,638)	$ (1,810)	$ (3,620)

(1) One basis point (bp) equals1/100 of 1%; 50 bp's = 50/100 of 1% or 0.5%.

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk as at December 31, 2009:

	Remaining term to maturity			2009 ($000's)	2008 ($000's)
	1 - 5 years	5 - 10 years	> 10 years	Total	Total
Bonds	$ 33,084	$ 18,315	$ 14,169	$ 65,568	$ 60,445
Average effective yield	2.37%	4.33%	5.04%	3.49%	4.15%

Currency risk
Currency risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar.

Within its pooled investments, the Fund is exposed to exchange rate volatility that is managed by the contracted fund manager. The board does not undertake long-term hedging strategies for the currency risk of foreign investments. The fair value of the Fund's US dollar investments as at December 31, 2009 was $35,400,000 (2008 – $27,781,000). The Fund did not hold any investments in other foreign currencies at December 31, 2009 (2008 – nil).

The table below presents the effects of a change in the Canadian/US dollar exchange rates for all equities held in US dollars:

	2009 ($000's)	2008 ($000's)
Appreciation in the Canadian Dollar relative to the U.S. Dollar	+10%	+10%
Decrease in fair value of US Dollar based Equites	$ (3,218)	$ (2,526)

Derivative financial instruments
The Fund did not have any derivative financial instruments during the year or at year end (2008 – nil).

6. Accounts Receivable

	2009 ($000s)	2008 ($000s)
Receivable		
Assessments	$ 2,509	$ 2,040
Government of Yukon (note 15)	69	204
Other receivables	213	110
	$ 2,791	$ 2,354

7. Investments

The Board of Directors has established an Investment Policy for the management of the investment process, utilizing external investment portfolio managers. The portfolio managers' compliance with this Investment Policy is monitored on a regular basis.

	2009 ($000s)	2008 ($000s)
	Fair Value	Fair Value
Fixed-term securities		
Federal bonds	$ 24,755	$ 13,683
Provincial bonds	3,178	4,290
Corporate bonds	37,635	42,472
	65,568	60,445
Equities		
Canadian	21,409	17,750
United States	23,051	16,914
International	23,482	21,122
	67,942	55,786
Other Investments		
Cash on account	108	103
Short-term investments	978	3,136
Accrued interest receivable	311	500
	1,397	3,739
Investments, sub-total	134,907	119,970
Management fee accrual	(84)	(93)
	$ 134,823	$ 119,877

As at December 31, 2009, the Fund held the following financial instruments measured at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Cash and Cash Equivalents	$ 1,313	$ -	$ -	$ 1,313
Bonds	26,451	39,117	-	65,568
Equities	32,939	-	-	32,939
Pooled Funds	-	35,003	-	35,003
Total Investments	$ 60,703	$ 74,120	$ -	$ 134,823

8. Property and Equipment

	2009 ($000s)			2008 ($000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 390	$ -	$ 390	$ 390
Buildings	3,757	(1,488)	2,269	2,351
Furniture and equipment	626	(532)	94	73
Computer systems and equipment	469	(337)	132	138
	$ 5,242	$ (2,357)	$ 2,885	$ 2,952

9. Intangible Assets

	2009 ($000s)			2008 ($000s)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Software and systems	$ 6,335	$ (2,418)	$ 3,917	$ 3,899
Systems under development (1)	417	-	417	137
	$ 6,752	$ (2,418)	$ 4,334	$ 4,036

(1) As of December 31, 2009, costs of $417,000 (2008 - $137,000) for the Occupational Health and Safety system were capitalized and will not be amortized until 2010 when the system is substantially complete and in use.

10. Bank Overdraft

The board has access to the Government of Yukon's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. In 2009, the Fund paid $16,598 of interest on the overdraft (2008 – nil).

11. Accounts Payable and Accrued Liabilities

	2009 ($000s)	2008 ($000s)
Payable		
Assessments	$ 1,151	$ 431
Government of Yukon (note 15)	2,373	2,191
Other payables and accrued liabilities	629	566
	$ 4,153	$ 3,188

12. Benefits Liability

	2009 ($000s)				2008 ($000s)
	Medical Aid & Compensation	Pension	Annuity	Total	Total
Balance, beginning of year	$ 85,881	$ 22,217	$ 6,611	$ 114,709	$ 112,488
Add claims costs incurred:					
Current year injuries	11,659	571	-	12,230	14,380
Prior years' injuries	(3,146)	1,107	(105)	(2,144)	3,121
	8,513	1,678	(105)	10,086	17,501
Less claims payments made:					
Current year injuries	2,783	-	-	2,783	3,008
Prior years' injuries	8,310	1,882	(171)	10,021	12,272
	11,093	1,882	(171)	12,804	15,280
Balance, end of year	$ 83,301	$ 22,013	$ 6,677	$ 111,991	$ 114,709

The key actuarial assumptions used to value the benefits liability as at December 31 are as follows:

	2009	2008
Discount rate for medical aid benefits - net [1]	1.50%	1.50%
Discount rate for compensation benefits - net [2]	4.00%	4.00%
Discount rate for survivor and other pension benefits - net [2]	4.00%	4.00%

(1) Net of a discount rate attributable to inflation of 5.5%

(2) Net of a discount rate attributable to inflation of 3.0%

The benefits liability was determined using accepted actuarial practice in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's and the actuary's best estimates of long term economic and actuarial assumptions. As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

Significant changes in the benefits liability due to actuarial assumptions included the following:

	Increase (decrease) in benefits liability	
	2009 *($000s)*	**2008** *($000s)*
Adjustments to mortality factors	$ -	$ 1,242
Other changes in actuarial assumptions	(1,871)	(570)
Favourable claims experience during year	(3,500)	(3,544)
	$ (5,371)	$ (2,872)

The most significant assumption in the determination of the benefits liability is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the net discount rate would increase the actuarial present value of the benefits liability.

Medical benefits represent approximately 19% of the benefits liability. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liability for medical benefits.

	2009 *($000s)*		**2008** *($000s)*	
Percentage change in assumed rates	+1%	-1%	+1%	-1%
Increase (decrease) in benefits liability from change in net discount rate	$ (7,644)	$ 8,768	$ (7,787)	$ 9,040
Increase (decrease) in benefits liability from change in excess medical inflation rate	1,660	(1,435)	1,843	(1,556)

As a result of work performed by the Investigations Unit during the year ended December 31, 2009, the board closed eight claims files. For each of these cases, the board determined the dates (range is from 1988-2007) from when payments should not have been made as the workers were no longer eligible for claims payments. The board has also determined it is not cost effective to collect some of these funds and therefore has decided to write off $1.6 million of the amount paid to the workers in these cases. The present value for the future savings on these claims is estimated to be $4 million and is reflected in the benefits liability. As at December 31, 2009, management has identified a total of twenty claims of which ten are currently under review by the Investigations Unit. The outcome of the investigations is not determinable at this time and therefore, the potential future effect of these claims is not reflected in the benefits liability.

13. Employee Future Benefits

(a) Accrued employee benefits

The liability accrual for employee non-pension benefits, including vacation, sick leave, long service leave, and severance at December 31 was as follows:

	2009 ($000s)	2008 ($000s)
Accrued employee benefits, beginning of the year	$ 857	$ 968
Payments made during the year	(72)	(48)
Costs for the year	155	107
Actuarial loss (gain) from changes in actuarial assumptions	152	(170)
Accrued employee benefits, end of the year	$ 1,092	$ 857

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 6.0% (2008 – 7.5%) and an annual rate of general escalation in wages of 3% (2008 – 3%).

(b) Public Service Pension Plan

Contributions made to the Public Service Pension Plan by the Fund and the employees for the year were as follows:

	2009 ($000s)	2008 ($000s)
Employees' contributions	$ 331	$ 315
Fund contributions	632	633
Total contributions	$ 963	$ 948

14. Capital Management and Reserves

The *Workers' Compensation Act* establishes that one of the purposes of the Act is to maintain a solvent Compensation Fund managed in the interest of workers and employers. To ensure that the Fund is able to meet its financial obligations, premiums charged to employers over time must be sufficient to cover current and future costs of all claims incurred by injured workers. These assessment revenues combined with investment returns from the Fund's assets are designed to provide the foundation for the Fund to meet all current and future obligations for injured workers.

The Board of Directors considers that capital includes all assets and liabilities. There have been no changes in the objectives and definition of capital from the previous period. The Fund does not have any external capital requirements. The reserves are established to protect the fully funded position of the Fund and to stabilize the effect of fluctuations in the employer assessment rates and investment returns. The Fund is considered fully funded when there are sufficient funds for the payment of all present and future compensation, including the cost of administration. At the end of the fiscal year, once the benefits liability is determined, the remaining difference between the Fund's assets and liabilities is allocated to reserves.

The Board of Directors uses the Funding Ratio (Assets/Liabilities) to manage capital. At December 31, 2009, the Funding Ratio is 123% (2008 – 105%).

In 2008, the Board of Directors amended the Fund's Funding Policy established in 2005, which provides for the establishment of a temporary fund (Prevention Fund) and two new reserves (Adverse Events Reserve and Stabilization Reserve).

Under the current Funding Policy, the Prevention Fund and two reserves are established as follows:

Prevention Fund:

The Prevention Fund serves to provide funding for the start up costs of pre-selected accident prevention and workplace safety initiatives. It was initially established in 2005, with $5,000,000 and will not be replenished once depleted. In 2009, a total of $429,000 (2008 – $675,000) was incurred on accident prevention and workplace safety initiatives.

The Board of Directors decided to wind down the Prevention Fund in 2009. The balance of uncommitted funds ($1,894,000) was transferred to the Adverse Events Fund. The remaining balance in the Prevention Fund will be used to cover future commitments from current funding agreements that were in place prior to this decision. At December 31, 2009, the Prevention Fund has a balance of $800,000 (2008 – $3,123,000).

Reserves:

(i) Adverse Events Reserve

The Adverse Events Reserve is to provide funding for infrequent, unexpected adverse claims experience and catastrophic events to protect employers from the sudden impact of the costs of these types of events. The target level for this reserve is $18,883,000 (2008 – $18,881,000), which has been set at 100 times the maximum wage rate plus 10 percent of the benefits liability and is calculated annually upon completion of the actuarial valuation of the benefits liability. Costs related to catastrophic and adverse events and latent occupational diseases are charged to this reserve, resulting in a charge of nil for 2009 (2008 – nil). This reserve is limited to its target level. Funds in excess of the target level are transferred to the Stabilization Reserve, with nil funds transferred in 2009 (2008 – nil). At December 31, 2009, the Adverse Events Reserve has a balance of $18,274,000 (2008 – $16,380,000).

In 2009, a transfer was made to the Adverse Events reserve of $1,894,000 from the Prevention Fund.

Transfers cannot be made from this reserve to any other temporary fund or reserve if the transfer will reduce this reserve below its target level.

A funding deficiency exists when the reserve is below its target level. There was a funding deficiency of $609,000 as at December 31, 2009 (2008 – $2,501,000). In the event of a charge against this reserve and when a funding deficiency exists, the following steps will be taken to replenish the reserve to its target level:

- Any recovery of the costs charged to this reserve will be added to this reserve, up to the target level.
- Any surplus in the Stabilization Reserve will be transferred to this reserve to replenish it up to the target level, if possible.
- If the transfer from the Stabilization Reserve is not sufficient to replenish this reserve to the target level, the reserve will be replenished by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.
- In subsequent years, if a recovery or a surplus in the Stabilization Reserve becomes sufficient to replenish the reserve, any special assessment premium surcharge will be cancelled.

In 2009, a premium surcharge was included in the assessment rates as required by the Funding Policy.

(ii) Stabilization Reserve

The Stabilization Reserve is to protect the fully funded position of the Fund and to stabilize the effect of fluctuations on employer assessment rates. The target level for this reserve is equal to 10 percent of the benefits liability, which was $11,199,000 as at December 31, 2009 (2008 – $11,471,000). The operating range for this reserve is determined as the target level balance plus or minus 3.5 percent of the benefits liability. The annual operating surplus, net of any amounts charged to the temporary fund and the Adverse Events Reserve, is transferred to this reserve. This resulted in an increase to this reserve in 2009 of $20,708,000 (2008 – decrease of $17,590,000). At December 31, 2009, the Stabilization Reserve has a balance of $7,529,000 (2008 – deficit balance of $13,179,000).

This reserve is considered to have a surplus when its balance exceeds the top of the operating range. Any surplus (determined as the difference between the reserve balance and its target level) is transferred to the Adverse Events Reserve, up to the target level if the latter reserve is below target. If the Adverse Events Reserve is at its target level and the balance of the Stabilization Reserve exceeds the upper threshold of the operating range, any remaining surplus will be applied as an employer assessment premium rebate based on an established schedule as outlined in the Funding Policy.

A funding deficiency exists when the reserve balance is below its target level. There was a funding deficiency of $3,670,000 as at December 31, 2009 (2008 – $24,650,000). The amount of the deficiency is determined as the difference between the reserve balance and its target level. In the event that this reserve falls below the lower threshold of the operating range, which was $7,279,000 as at December 31, 2009 (2008 – $7,456,000), the following steps will be taken:

- Any amounts in excess of the target level in the Adverse Events Reserve will be transferred to the Stabilization Reserve, up to the target level, if possible.
- Any remaining deficiency will be replenished up to the target level by a special assessment premium surcharge based on an established schedule as outlined in the Funding Policy.

In 2009, a premium surcharge was included in the assessment rates as required by the Funding Policy.

15. Related Party Transactions

As a statutory Corporation of the Government of Yukon (the Government), the board is related to all Government departments, agencies and Government corporations. The board enters into transactions with these entities in the normal course of business and the transactions are recorded at the exchange amount, which approximates fair value. All mainframe computer software is owned by the Government. The board has access to the Government's overall line of credit facility with its banker. This access provides the board with overdraft coverage when needed. At December 31, 2009, the Fund was required to pay interest of $16,598 on the overdraft (2008 – nil).

During 2009, the Compensation Fund paid the Government $749,000 (2008 – $858,000) for building maintenance, computer, office supplies, payroll processing, recruitment, vehicle and rehabilitation services. The Fund also reimbursed the Government for payroll costs of $6,825,000 (2008 – $6,870,000).

The Government pays certain claims costs to the Compensation Fund for claims prior to 1993 (note 4(d)) and also reimburses the cost of supplementary benefits pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance. Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

Effective January 1, 1993, all Government employees were covered by the Fund. Revenues and recoveries from the Government of Yukon for the year ended December 31 are as follows:

	2009 ($000s)	2008 ($000s)
Assessments	$ 5,923	$ 5,640
Pre-93 claims costs	21	43
Supplementary compensation benefits	389	397
Recoveries and other receipts	236	343
Total revenues and recoveries from the Government of Yukon	$ 6,569	$ 6,423

As at December 31, balances due to and from related parties are as follows:

	2009 ($000s)	2008 ($000s)
Due to the Government of Yukon (note 11)	$ (2,373)	$ (2,191)
Due from the Government of Yukon - Recoveries (note 6)	69	204
Due from the Government of Yukon - Assessments	504	-
Net amount due to the Government of Yukon	$ (1,800)	$ (1,987)

Transactions with other related parties are in the normal course of business and are not material.

16. Commitments

The board has commitments for computer software development and maintenance fees, professional services contracts, contribution agreements, Prevention Fund agreements and office leases for the next five years, in thousands of dollars, as follows:

	Computer software	Professional Services Contracts	Contribution Agreements	Prevention Fund Agreements	Office Leases	Total
2010	$ 30	$ 506	$ 276	$ 375	$ 10	$ 1,197
2011	27	182	-	94	-	303
2012	-	72	-	-	-	72
2013	-	5	-	-	-	5
2014	-	2	-	-	-	2
	$ 57	$ 767	$ 276	$ 469	$ 10	$ 1,579

17. Investment Revenue

	2009 ($000s)	2008 ($000s)
Interest and dividends		
Bonds and short-term investments	$ 3,086	$ 3,116
Equities	1,755	2,197
	4,841	5,313
Gains (losses) - net		
Realized losses in the year	(566)	(21)
Increase (decrease) in fair value in the year	12,128	(19,652)
	16,403	(14,360)
Investment management fees	(499)	(446)
	$ 15,904	$(14,806)

18. Administration Expenses

	2009 ($000s)	2008 ($000s)
Salaries and benefits	$ 7,073	$ 6,556
Consulting and professional	1,037	803
Amortization - intangible assets	460	508
Buildings	292	285
Automobile and travel	265	224
General administration	211	286
Amortization - property and equipment	206	215
Computer systems	202	192
Communications	181	212
Board expenses	144	158
Staffing and recruitment	117	98
Printing and publications	60	85
Supplies and stationery	49	58
Furniture and equipment	13	31
	$ 10,310	$ 9,711

19. Prevention Expenses

	2009 ($000s)	2008 ($000s)
Contribution Agreements - funded through the Prevention Fund	$ 429	$ 675
Contribution Agreements - funded through Operations	486	280
	$ 915	$ 955

20. Contingencies

The Fund is required to pay for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be reasonably estimated and are not included in the benefits liability or the financial statements.

Due to the nature of the board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Fund's financial position or results of operations.

21. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

2009
Year at a Glance

Note		2009	2008
1	Workers covered	20,600	20,300
2	Open Claims	3,060	3,592
1, 3	Claims	1,275	1,482
1, 3	Accepted Claims	929	1,044
1, 3	Lost-time Claims	472	565
1	Lost-time Rate (*per 100 covered workers*)	2.3	2.8
	Permanent Impairment Awards	42	38
1	Fatality Claims Accepted	3	1
	Reviews by the Hearing Officer	44	48
4	Appeals heard by the Appeal Tribunal	8	12
1	Registered employers	2,917	2,805
	Maximum assessable earnings/wage rate	$ 76,842	$ 74,100
1, 5	Assessable payroll (*millions*)	$ 863.8	$ 826.2
1, 5	Assessment revenue (*millions*)	$ 25.0	$ 23.9
	Average estimated assessment rate	3.00	3.00
1	Average collected assessment rate (per $100 of insurable earnings)	$ 2.91	$ 2.92
	Investment revenue (*millions*)	$ 15.9	$ (14.8)
	Investment fund market return	13.9%	-10.7%
	Fund balance (*millions*)	$ 134.8	$ 119.9
6	Funded position (per AWCBC - KSM position)	123%	105%

Notes:

Estimates may include revisions to prior releases.

1 Revised estimates

2 Due to changes in system operability, pre-2007 figures are not comparable.

3 Figures may include counts of duplicate records.

4 Decisions rendered.

5 Based on rateable revenue only for the assessment year and includes adjustments to previous estimates.

6 Per revised 2008 KSM definition.

Yukon Workers' Compensation Health and Safety Board

Commission de la santé et de la sécurité au travail du Yukon